

S
351.00147
A3bri
2002

EMPLOYEE INCENTIVE PROGRAM REPORT



STATE DOCUMENTS COLLECTION

JULY 22 2003

MONTANA STATE LIBRARY
1515 E. 4TH ST.
HELENA, MT 59601

2001-2002

MONTANA STATE LIBRARY



3 0864 1002 1366 2

**2001-2002
BIENNIAL REVIEW OF
INCENTIVE AWARDS PROGRAM**

Report to the Legislature

**PREPARED BY
DEPARTMENT OF ADMINISTRATION
STATE PERSONNEL DIVISION**

REPORTS TO THE LEGISLATURE¹

Numerous statutory sections require reports to be given to or filed with the legislature. The Department of Administration is one such reporting entity. This report contains a list of incentive program awards granted and the corresponding savings to the state or improvements in the effectiveness of state government.²

The Department's State Personnel Division produced this report.

In addition to the Employee Incentive Program, the State Personnel Division provides guidance to state agencies in a variety of human resource management programs including: training, position classification and pay, collective bargaining, employee relations and assistance with compliance with state and federal employment law. The Division publishes state rules, standards and policies relating to recruitment, selection, discipline, grievance, performance appraisal, leave and other matters. The Division administers benefits plans that include health, life, dental and vision insurance, flexible spending accounts, a sick leave fund, and health promotion. The Division also operates the central Human Resource/Payroll system to provide biweekly payroll for all non-university system state employees.

ALTERNATIVE ACCESSIBLE FORMATS OF THIS REPORT WILL BE PROVIDED ON REQUEST. PERSONS WHO NEED AN ALTERNATIVE FORMAT SHOULD CONTACT THE STATE PERSONNEL DIVISION, DEPARTMENT OF ADMINISTRATION, 125 N. ROBERTS ST., PO BOX 200127, HELENA, MT 59620-0127. TELEPHONE 406-444-3871. THOSE USING A TTY MAY CALL THE MONTANA RELAY SERVICE AT 711.

TWENTY COPIES OF THIS REPORT WERE PRODUCED AT A COST OF \$1.00 PER COPY

¹ § 5-11-210, MCA (2001).

² § 2-18-1103, MCA (2001).

DEPARTMENT OF ADMINISTRATION
STATE PERSONNEL DIVISION

JUDY H. MARTZ, GOVERNOR



STATE OF MONTANA

(406) 444-3871
FAX: (406) 444-0544
discoveringmontana.com/doa/spd/css

MITCHELL BUILDING, ROOM 130
PO BOX 200127
HELENA, MONTANA 59620-0127

August 22, 2002

Montana State Legislature
State Capitol
Helena MT 59620

RE: Employee Incentive Program

Dear Members of the State Legislature:

This is our report of the activity during the last biennium for the state's Incentive Award Program. This report contains a list of the state agencies that granted incentive awards, the amounts of the awards, and the resulting or projected savings and improvements in the effectiveness of state government.

Thank you to all of the agencies for their assistance and cooperation in the production of this report. Mary Rose Heller, Human Resource Consultant for the State Personnel Division, authored and produced the report with the assistance of administrative staff.

Bravo to all the state employees who, through their ingenuity and imagination and dedication, make state government work more effectively and economical.

Respectfully submitted,

A handwritten signature in black ink that reads "John McEwen".

John McEwen
State Personnel Division Administrator

Table of Contents

Program Background.....	1
Overview	2
Awards – Fiscal Year 2001	3
Awards – Fiscal Year 2002	5
Summary.....	7

Program Background

The Employee Incentive Program (EIP) recognizes and rewards individuals and teams of state employees and non-employees for innovations that significantly contribute to the efficiency, economy, or other improvement of state government. The award can be in the form of money, paid leave or some non-monetary recognition.

The EIP was enacted in 1981 to help reduce the costs and improve the effectiveness of state government operations. The EIP has undergone several metamorphosis from its inception twenty some years ago. Originally, the Department of Administration developed and centrally administered the EIP to award state employees for cost saving proposals. The program was set to sunset at the end of two years. After another extension, the sunset provision was removed in 1985. The program's current form is a result of legislation enacted in 1993. Now, each agency administers its own program. An agency head may grant incentive awards and determine their monetary value using a graduated formula to determine the amounts of the monetary rewards. The general public, or people outside the ranks of state employees, may also submit ideas to improve government operations.

During the last biennium, consisting of fiscal years 2001 and 2002, two agencies presented 8 awards to 23 recipients for individual and team efforts. The cash awards totaled \$10,938.43. While the program allows agencies to award up to 40 hours of paid leave or some other non-monetary award, no awards from these categories were presented.

Participating agencies have documented an actual cash savings of \$513,609.42. Agencies also implemented some ideas where the actual amount of the savings could not be precisely calculated. These savings accrued either to the implementing agency, other agencies, customers or any combination of the three.

Detailed information about award amounts and actual or projected savings follow. It is organized by fiscal year.

Awards – Fiscal Year 2001

In fiscal year 2001, two agencies presented 4 awards to 9 recipients (One recipient was on two teams and qualified for two awards). Total cash awards were \$5,835.00. Actual agency savings of \$228,275.64 were calculated. Additional savings beyond this amount were realized, but the agency implementing the cost saving idea was not able to calculate or project those amounts.

Table 1.

Agency	Recipients	Award	Actual Savings	Projected Savings
Administration	4	\$4,000.00	\$213,930.64	
Labor and Industry	6	\$1,635.00	\$ 14,345.00	

Department of Administration

The team of Linda Kirkland, Vince Crewey and Tammy Peak of the Information Services Division were awarded \$1000 each for their diligent review of volumes of the AT & T and SDN invoices. AT & T notified the State that it owed \$165,001.07 due to an error in the AT & T billing system. After careful review, the team determined that AT & T had made an error in setting up the SDN contracted rates with the state. They worked with an AT & T billing group to resolve the differences. The net result was AT & T adjusting the State bill by \$157,008.00.

Leslie Brecheen of the Information Services Division was awarded \$1,000.00 for taking the initiative to conduct an historical audit of over 500 individual data circuits serviced by QWEST and several independent telephone

companies. The audit consisted of verifying the accuracy of the billing rates, dates and termination of cancelled circuits. As a result the State received a refund of \$6,000.00 in September 2000, and three credits, \$10,148.75, \$8,443.17 and \$3,977.40, on frame relay circuits. She also did the majority of the work on collecting \$28,353.32 for cancelled circuits. The total savings to the State was \$56,922.64.

Department of Labor and Industry

The team of Annette Miller, Susan Anderson, Kevin Heide and Kathy Steil of the Workforce Services Division shared an award of \$1,635.00 for developing a Montana Career Information System (MCIS) Tutorial Program. With the addition of the CD ROM tutorial to the MCIS and Job Works software package, schools, agencies and businesses can now use the program without waiting to send users to a workshop. Usually ten training workshops were scheduled annually in various locations statewide. The savings for the State include the elimination of staff's lost productivity for the 30 out-of-office days and the corresponding mileage, lodging and per diem expenses of \$14,345.00. The users also experienced corresponding savings.

The team of Annette Miller and Candy Cardwell shared an award of \$200.00 for developing a framework for a multi-agency conference with all agencies involved, sharing the costs. The result was ten agencies and associations coming together to plan and deliver a conference geared to common audiences. Customers did or will spend less money for training and travel expenses. No cost savings could be determined in this case.

Awards – Fiscal Year 2002

In fiscal year 2002, two agencies presented 4 awards to 13 recipients.

Total cash awards were \$5,303.42. Actual agency savings of \$285,333.78 were calculated.

Table 2.

Agency	Recipients	Award	Actual Savings	Projected Savings
Administration	1	\$2,103.42	\$210,341.78	
Labor and Industry	12	\$3,200.00	\$ 74,992.00	

Department of Administration

Linda Kirkland of the Information Technology Services Division was awarded \$2,103.42. Ms. Kirkland identified a billing error by AT & T for 16 SDN T1's and ISDN D-Channel. The contract rates were \$102.00 and \$104.00 per month respectively and the billed rates were \$687.39 to \$683.03 and \$416.00 respectively. Ms. Kirkland's attempts for resolution took months. Ms. Kirkland's attention to detail, tenacity and dedication to her job resulted in a \$210,341.78 credit to the State.

Department of Labor and Industry

The team of Joanne Loughney-Finstad, Paul Otto, Margo Anderson, Ken Olsen, Rachel Bawden, Margaret Ore, Colleen Scow, Paula Hays, Teresa Tomich, and Jeanne Murphy shared an award of \$2,200.00. This team worked on the integration of numerous unemployment insurance legacy systems into one integrated database. The project to create the new system called Montana's

Integrated System to Improve Customer Service (MISTICS) combined business process reengineering and automation. MISTICS applied a graphical user interface system, which is easy for users to navigate. The integration of imaging and workflow provides a streamlined tool for staff. The cost savings realized was \$66,203.00.

Janet Nick was awarded \$500.00 for developing a journal import worksheet that allows fiscal staff to feed data directly to the Statewide Accounting, Budgeting and Human Resource System (SABHRS). Prior to this innovation, staff could take an average of about 4 hours to manually input a journal with 500 lines. Now, the process takes about 10 minutes. The idea improved staff efficiency and resulted in a cost savings of \$3,303.00.

Bob Schleicher was awarded \$500.00 for redesigning the Prevailing Wage Survey Program. An un-funded mandate required the surveying of 600% more employers than in the past. The redesign held surveying costs to a minimum and increased customer satisfaction because the survey is easier for employers to answer. As a result, a savings of \$5,486.00 was realized.

Summary

For a variety of reasons, some agencies did not participate in the program during the 2001-2002 biennium. Those agencies advised the Department of Administration they either did not receive ideas that merited awards or did not have the staff and resources to administer the Employee Incentive program. Even so, this year's report is evidence that the EIP's cost saving potential is tremendous. The Department of Administration is committed to work with agencies to increase program participation.

